

#GTTaxUpdate

CBIC enhances facilities under the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017

The Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017, lay down the procedures and manner in which an importer can avail the benefit of a concessional customs duty on import of goods required for domestic production of goods or providing services. The Central Board of Indirect Taxes and Customs (CBIC) has now notified certain enhancements of facilities under the said rules to boost trade facilitation.

Key enhancements

- **Imported goods can be sent for job work:** The scope of the job work facility has been extended to an importer who is a manufacturer but without complete manufacturing facility. Also, 100% outsourcing for manufacture of goods on job work basis has been permitted for importers who do not have any manufacturing facility at all. However, sensitive sectors such as gold, articles of jewellery and other precious metals or stones have been excluded from the facility of job work.
- **Import of capital goods at concessional rate of duty:** An option has been given to the importers to import capital goods for a specified purpose at a concessional rate of duty and after having put such capital goods to use for the said purpose, clear the same after payment of the differential duty and interest, at a depreciated value, with permission from the jurisdictional Customs Officer.

Procedure to be followed by importers to avail concessional rate

- **One time prior intimation:** An importer who intends to avail the benefit of import goods at a concessional rate of duty shall file a one-time prior information to the jurisdictional customs officer.
- **One time continuity bond:** The importer is required to submit a one-time continuity bond, to cover all the imports undertaken under this procedure.

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- **Intimation before import:** The importer shall provide information to the jurisdictional customs officer regarding the estimated quantity and value of goods to be imported, the exemption notification and serial number, the estimated duty forgone and the port of import with respect to a consignment.
- **Clearance of goods:** The importer is required to upload such intimation copy on e-Sanchit and link the same along with the other documents when filing the bill of entry. On this basis, the goods shall be allowed clearance at a concessional rate of duty.
- **Receipt of goods:** The receipt of the imported goods is to be intimated to the jurisdictional customs officer. The goods may also be sent directly to the premises of a job worker under a challan. In such cases, the importer shall intimate by email such receipt of goods to the jurisdictional customs officer (of the job worker) along with the copy provided to the jurisdictional customs officer (of the importer).
- **Receipt of goods from job worker:** The importer needs to update in the account maintained by the importer and subsequently show in the quarterly returns.
- **Re-export or clearance for home consumption:** An importer shall utilise the imported goods for the intended purpose or re-export the same, within a period of six months from the date of import, failing which the importer is liable to payment of duty with interest. In the case the importer intends to clear the unutilised or defective goods on payment of requisite duty and interest, the import duty payable would be equal to the difference between the duty leviable on such goods but for the exemption availed and that already paid, if any, at the time of importation, along with interest.
- **Quarterly return and maintenance of accounts:** The importer shall also submit a quarterly return by the 10th day of the following quarter, in the form prescribed, to the jurisdictional customs officer. The importer shall also maintain an account giving details of quantity and value of goods imported, quantity of goods consumed, quantity of goods sent/received from job work, nature of job work carried out, quantity of goods re-exported, quantity of goods in stock, etc.